

6178-C

RECORDATION NO. \_\_\_\_\_ Filed &amp; Recorded

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INTERSTATE COMMERCE COMMISSION

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ASSIGNMENT OF LEASE AND AGREEMENT dated as of May 1, 1971, between SEGAR FOUR LEASING COMPANY, a District of Columbia limited partnership (hereinafter called the Company), and GIRARD TRUST BANK, as Agent (hereinafter called the Agent), pursuant to the Finance Agreement dated as of the date hereof (hereinafter called the Finance Agreement), among the Agent and certain other parties thereto (hereinafter called the Investors).

As an inducement to the Investors to invest in the Conditional Sale Indebtedness, as that term is defined in the Conditional Sale Agreement dated as of May 1, 1971, (hereinafter called the Conditional Sale Agreement), among SEGAR FOUR CORPORATION (hereinafter called the Vendor), READING COMPANY (hereinafter called the Lessee), and the Company, pursuant to which the Company is financing its purchase of the units of railroad equipment described therein, which Conditional Sale Agreement has been assigned to the Agent by the Vendor pursuant to an Agreement and Assignment dated as of May 1, 1971 (hereinafter called the Assignment), and in consideration of said investment by the Investors, the parties hereto agree as follows:

1. As security for the prompt payment of each, and every obligation and liability of the Company to the Agent, at any time outstanding in or resulting from the Conditional Sale Agreement or the Assignment (hereinafter called the Obligations), the Company hereby assigns, transfers, and sets over unto the Agent all the Company's right, title and interests, as lessor under the Lease dated as of May 1, 1971 between the Company and the Lessee (hereinafter called the Lease), together with all rights, powers and privileges, and other benefits of the Company as lessor under the Lease, including, without limitation, the immediate right to receive and collect all rentals and profits and other sums payable to or receivable by the Company under or pursuant to the provisions of the Lease and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default under the Lease, and to do any and all other things whatsoever which the Company, as lessor, is or may become entitled to do under the Lease. The Agent shall hold all sums paid by the Lessee under the Lease and received by the Agent for application as herein provided in payment of amounts due and owing by the Company under the Conditional Sale Agreement. In furtherance of the foregoing assignment, the Company hereby irrevocably authorizes and empowers the Agent in its own name, or in the name of its nominee, or in the name of the Company or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Company is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions of the Lease. On January 1, 1972 the Initial Term Rental payable under the Lease (as therein provided) shall be paid

Filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act on \_\_\_\_\_, at \_\_\_\_\_, Recordation No. \_\_\_\_\_.

to the Agent and the Agent shall pay to the Investors the amount due under the Conditional Sale Agreement on January 1, 1972, and any excess amount remaining from such rental payment shall be paid over to the Company or in accordance with the written directions of the Company. Each installment of Fixed Rental under the Lease shall be paid to the Agent on the date when such instalment is due and owing under the Lease and shall be treated in the same manner as the Initial Term Rental paid to the Agent on January 1, 1972 as provided above.

2. The assignment made hereby is executed only as security, and, therefore, the execution and delivery of this Assignment shall not subject the Agent to, or transfer, or pass, or in any way affect or modify, the liability of the Company under the Lease, it being understood and agreed that notwithstanding such assignment, or any subsequent assignment, all obligations of the Company to the Lessee under the Lease shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Company.

3. The Company covenants and agrees that it will perform all of its obligations to be performed under the terms of the Lease, and hereby irrevocably authorizes and empowers the Agent, in its own name, or in the name of its nominee, or in the name of the Company, as its attorney, on the happening of any failure by the Company, to perform, or cause to be performed, any such obligation, all at the Company's expense.

4. Upon the full discharge and satisfaction of the Obligations, the assignment made hereby and all rights herein assigned to the Agent shall cease and terminate, and all estate, right, title and interest of the Agent in and to the Lease shall revert to the Company.

5. The Company warrants and covenants that (a) the execution and delivery by the Company of the Lease and this Assignment of Lease have each been duly authorized, and the Lease and this Assignment of Lease are and will remain the valid and binding obligations of the Company in accordance with their terms; (b) the Company has not executed any other assignment of the Lease and its right to receive all payments under the Lease is and will continue to be free and clear of any and all liens, agreements or encumbrances (except this Assignment of Lease) created or suffered by any act or omission on the part of the Company (other than any act or omission in respect of which the Lessee has assumed responsibility under the Lease), and the Company has received no advance rental payments under the Lease; (c) notwithstanding this Assignment of Lease the Company will conform and comply with each and all of the covenants and the conditions in the Lease set forth to be complied with by it; and (d) to the knowledge of the Company, it has performed all obligations on its part to be performed under the Lease on or prior to the date hereof and there has not occurred on or prior to the date hereof any Event of Default (as that term is defined in the Lease).

6. The Company will from time to time execute all such financing statements and supplemental instruments as the Agent may from time to time reasonably request in order to confirm or further assure the assignment made hereby and the provisions hereof.

7. The Agent may assign all or any of its rights under the Lease, including the right to receive any payments due or to become due to it from the Lessee thereunder, subject to the requirements of § 15 of the Finance Agreement. In the event of any such assignment any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Agent hereunder.

8. The Company agrees that it will not, without the prior written consent of the Agent, enter into any agreement amending, modifying or terminating the Lease and that any attempted amendment, modification or termination thereof without such consent shall be void.

9. This Assignment of Lease shall be governed by the laws of the Commonwealth of Pennsylvania, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

10. This Assignment of Lease shall be binding upon and inure to the benefit of the parties hereto and the holders of the Conditional Sale Indebtedness and their respective successors and assigns.

11. The Company shall cause copies of all notices received in connection with the Lease to be promptly delivered to the Agent at Girard Trust Bank, Broad & Chestnut Streets, Philadelphia, Pa. 19101, Attention: Corporate Trust Department or at such other address as the Agent shall designate.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered as of the date first above written.


SEGAR FOUR LEASING COMPANY,  
a District of Columbia limited partnership

By  a General Partner.


GIRARD TRUST BANK,  
as Agent

[CORPORATE SEAL]

Attest:

  
Corporate Trust Officer

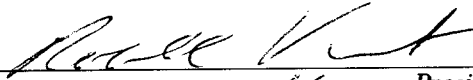
By

  
Vice President.

## ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

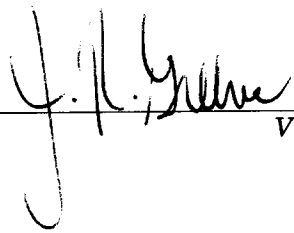
Receipt of a copy of, and due notice of, the assignment made by the foregoing Assignment of Lease and Agreement is hereby acknowledged as of May 1, 1971.

SEGAR FOUR CORPORATION

By   
Vice President.

  
APPROVED  
AS TO FORM

READING COMPANY

By   
Vice President.

*Subscribed at Philadelphia*

COMMONWEALTH OF PENNSYLVANIA }  
COUNTY OF PHILADELPHIA } SS. :

On this 1st day of June, 1971, before me personally appeared Milton Ritzberg, to me known to be a general partner of SEGAR FOUR LEASING COMPANY, the partnership mentioned and described in, and who executed, the foregoing instrument, and acknowledged to me that he executed the same as free act and deed for and on behalf of and with the authority of said partnership of SEGAR FOUR LEASING COMPANY.

*Heather C. Kelly*  
Notary Public

[NOTARIAL SEAL]

My Commission Expires Mar. 21, 1973

COMMONWEALTH OF PENNSYLVANIA }  
COUNTY OF PHILADELPHIA } SS. :

On this 1st day of June, 1971, before me personally appeared ANDREW O. FRIEDRICH, to me personally known, who, being by me duly sworn, says that he is a Vice President of GIRARD TRUST BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Donald T. Vogt*  
Notary Public

[NOTARIAL SEAL]

DONALD T. VOGT, NOTARY PUBLIC  
PHILADELPHIA, PHILADELPHIA COUNTY  
MY COMMISSION EXPIRES MAY 12, 1975  
Member, Pennsylvania Association of Notaries